

EXHIBIT 1

**VESSEL SHIPCHECK
MEMORANDUM**

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TO: Shipyard Contractor Representatives

FROM: Captain Kelly J. Mitchell
Senior Port Captain

DATE: JUNE 30, 2004

SUBJECT: VESSEL SHIPCHECKS FOR BIDDING PURPOSES

With the implementation of WSF alternate Security plans as required and approved by the USCG, WSF will be requiring that all vendors and contractors comply with new identification requirements.

Contractor employees are to present a picture identification to a WSF Terminal Seller every time they seek entry onto WSF property for the purposes performing work or "ship checking" a vessel for the purpose of being able to estimate a job for contract bidding purposes.

The identification must comply with all of the following U.S. Coast Guard I.D. requirements:

- Contain the full name of the individual.
- Contain a photograph clearly depicting the person's current facial features.
- Contain the name of the issuing organization.
- Be laminated, or constructed of some other material so as to be tamper resistant.

Note: Most states driver's license fulfills U.S.C.G. identification requirements and, therefore, is an acceptable means of identification at WSF.

Interested parties are encouraged to inspect the Vessel. Arrangements for the inspection must be made through Captain Mitchell, Washington State Ferries (WSF) Senior Port Captain, at (206) 264-3551. Information as to the number and name(s) of the inspecting person(s) shall be provided in order to make arrangements and to provide notification to the vessel and terminal personnel prior to the contractor's representatives arriving at the vessel's terminal. Faxing a photocopy of the I.D. to (206) 264-3555, ATTN: Captain Mitchell, would help facilitate making the visitation arrangements. Please allow 24 hour advance notification for ship visitations.

Thank you.